

RESOLUTION NO. 1670

A RESOLUTION OF CITY OF GARDNER, KANSAS, AUTHORIZING THE EXECUTION OF A POWER PURCHASE AGREEMENT, DATED MAY 11, 2005, BETWEEN THE CITY OF GARDNER, KANSAS AND THE KANSAS MUNICIPAL ENERGY AGENCY RELATING TO THE PURCHASE OF ELECTRICITY BY THE CITY FROM THE KANSAS MUNICIPAL ENERGY AGENCY FOR SALE OR USE BY THE CITY.

WHEREAS, the Kansas Municipal Energy Agency ("KMEA") is a municipal energy agency organized and existing under the laws of the State of Kansas, including K.S.A. 12-885 *et seq.*; and

WHEREAS, the City of Gardner, Kansas (the "city") owns or operates a utility furnishing electricity, and the City is a member in good standing of KMEA; and

WHEREAS, the City is authorized to enter into contracts for the supply of electricity from any person, firm, corporation or other municipality for a period not in excess of forty (40) years under K.S.A 12-825j; and

WHEREAS, the City desires to enter into a Power Purchase Agreement (the "Purchase Agreement") dated as of May 11, 2005 with KMEA relating to the City's purchase of electricity from KMEA during the period commencing on or before May 1, 2006 through April 30, 2026 (the "Term") in substantially the form presented to the governing body with this Resolution; and

WHEREAS, subject to execution of the Purchase Agreements with the City and other cities, KMEA will contract with the Grand River Dam Authority ("GRDA"), a governmental agency of the State of Oklahoma, under a Power Purchase and Sale Agreement (the "GRDA Agreement") attached to the Purchase Agreement as **Appendix A**; and

WHEREAS, KMEA will use commercially reasonable efforts to develop and maintain firm transmission service arrangements with third parties for delivery of the electric power and energy to the City's Delivery Point in sufficient amounts to comply with the contractual requirements set forth herein on or before May 1, 2006; provided, if such arrangements are not completed on or before that date, the Purchase Agreement will be modified in accordance with the terms of the Purchase Agreement;

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF GARDNER, KANSAS:

SECTION ONE: The Purchase Agreement is hereby approved in substantially the form presented to the governing body this date, with such changes or additions as the Mayor and Clerk shall deem necessary and appropriate.

SECTION TWO: The Mayor and Clerk are hereby authorized to execute the Purchase Agreement in substantially the form presented to the governing body this date, with such changes or additions as the Mayor and Clerk shall deem necessary and appropriate, such official's signature thereon being conclusive evidence of such official's and the City's approval thereof. The Mayor and Clerk are authorized and directed to execute any and all other documents or certificates necessary to effect the purposes set forth in this Resolution and the Purchase Agreement.

SECTION THREE: This Resolution shall take effect and be in full force from and after its adoption by the governing body of the City.

ADOPTED by the Governing Body of the City and signed by the Mayor this 6th day of June 2005.

Carol Lehman, Mayor

Attest:

Gwen Scott, City Clerk

(SEAL)